



Study on behavioural skills of retail employees

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Abstract: The paper investigates the behaviour skills of retail sales employees from the view point of customer expectations. Primary data for the study was collected from from customers visiting three different types of retail formats in Pune. The results were analysed using Friedman test and Kruskal Wallis test. The results showed that convincing abilities and complaint management were top two skills expected from sales employees by customers. This paper is important for the retail industry in terms of improving those skills where customers have a higher expectation from sales employees.

Keywords: Behavioural Skills, Retail Employees

Introduction

The retail sector comprises of one of the largest sectors of the private economy in India. It is also identified as a major sector for the growth of local economies (Finn and Louviere, 1996, Warenby , 2004). However, the sector is crippled with a concentration of large retail outlets on one hand and small business on the other. Further, the sector is challenged by various employable factors like huge turnover, part-time workers, not a great attraction as a career objective for well-qualified individuals. Indeed Retailing has been trapped in a low skill –low pay equilibrium (Skillsmart Retail, 2004).

India's National Skill Development Cooperation has been designed in order to achieve the ambition of raising productivity levels in India market. However, in order to develop an effective an effective skills training and development, it is essential to understand what is the right mix of skills, necessary for the future of the Retail sector. Skills shortages result in when there are too few people to fill the required gap. There are also skill gaps, which are deficiencies in skills which employs need to carry out their existing task. Then, there are skills which are not currently posed by the workforce, but which employer consider them to be essential for the future business. All these above-mentioned types of skills shortages are likely to be relevant in the Retail sector (Frogner, 2002 and Green, 1998).

However, an interesting point to note is that the retail environment has completely changed in last decades primarily sue to competition, changing

consumer patterns, urbanization etc. While unorganized retailers largely outnumber the large organized chains but they are economically weak with regards to productivity and efficiency. As a result, their number is declining in front of large organized retailers particularly in sectors like Food and Grocery, Apparels and Footwear, Jewellery and Accessories, Home appliances and Furnishing and Gadgets and entertainment etc. Now, in order to remain competitive, it is anticipated that small retailer need skill full staff with good customer's services skills (Huddleston and Hirst, 2004).

Further, developing technologies have driven efficiencies within retail operations, stores, supply chains, and in the new sales channel. This has been beautifully exploited by the big retail giants as they have required resources, skill sets and know-how to do such things on one hand and on the other small retailer are lacking with respect to resource, skill sets and economies of scale. This technology development in retail will automatically force the retailers to innovate and differentiate and will require an employee with IT literacy both at small and large operations (Skillsmart, retail, 2004).

Hence, the purpose of this paper is, therefore, to examine the specific skills gap associated with the retail employees across Indian market and to investigate the essential training and business implications that arise from these skill gaps.

Literature Review

The paper Employers Perceptions of skills gaps in retail : issues and implications for UK retailers, by Cathy Hart, Andrew M. Farrel, Grazyna B Stachow, and Gary Reed discusses about the issues with which retail sector is polarised as large business retail and small retailer, with large retailer having the capacity and ability to hire better skill full employees but on the other hand small retailers are mainly concentrated within family business and does not constitute with the right mix of skill sets. The paper also talks about three types of skill shortages that has crippled retail industry- Firstly, it talks about skill shortages are defined as deficiencies with respect to labour pool. Secondly, there are skill shortages with respect to the skills required to carry out existing work, and finally, there are skills which are not currently poses by workers but employer considers them to be





essential for future. Further, retail over the decade has taken its new form of modern retail and small business retail. With rapid urbanization, changing customers' demands and upcoming technologies, modern retail business are more capable of exploiting skilled labour and technology literate labour. On the other hand, small retailer lack resources, economies of scale and the required skills to pace up with new technologies, thus they become incompetent in front of big business.

The Indian retail market, has been considered as the second most attractive destination for investment after Vietnam. But the Indian retail sector is highly fragmented and the penetration of organised retail sector is quite low in India as compared to other countries. Organised retail has been valued at 5% growth rate in 2008 and keeping the pace in India, the sector is expected to grow around 9-10 % in the upcoming years. On the other hand, unorganised retail which involves local kirana shops, paan/beedi shops, hand cart and pavement vendors still contribute to be backbone of Indian Retail sector. The report by National Skill Development talks about the growth rate of retail industry and the reason behind the growth like changing lifestyle, increase in disposable income, change in demographics, and increase in usage of credit and debit cards. This report also highlights the increase in women employment in retail sector because woman have better soft skills which is required on a regular basis in customers dealings and considers education of women and changing lifestyles as the two important reasons for that.

Further, the paper argues that increase in women employment has completely changed the demand pattern of every household and has contributed to increased market share of products like apparels, footwear, eyewear and jewellery etc. It has also led to increase in disposable income which has further has led to increase in disposable incomes of Households and finally changed the consumer pattern of the Indian retail market. Further, the paper talks about talks about the employment penetration in organised retail. Major proportion of people are hired for front-end retail profiles and nearly 75%-85% of manpower in organised retail is used in store operations activities. The education profile of people hired in retail sector both organised and unorganised is low and the biggest reason for this lack of proper qualification in India is because there is no as such specific degrees, or education institute designed to teach retail to the young crowd of India. Also, the quality of education profile is very low in tier 2 and tier 3 cities even for organised retail, where merely high schools pass outs are hired to do the job.

Retail indeed is an economically crucial industry to the Indian economy but yet it is perceived as

traditionally backward in terms of employing people because of low wages, poor working conditions and hence has difficulty in attracting good and well qualified personnel. The paper Experiences, perceptions, and expectations of retail employment for Generation Y discuss about various reasons why retail is not a good reason for Generation y like the job within retail sector doesn't permit much of employment flexibility, work-life balance is not that great as it requires long work hours and most of organisations, and management culture doesn't support much flexibility. However, Generation Y is rightly said to be socially conscious and they value diversity, equality and tolerance in both professional and personal lives (Anon, 2006 and Morton, 2002). The rapid development in retail have wide implications for the planning of carers at graduate and postgraduate level but there is no theoretical and disciplinary concept of getting a specialisation qualification in Retail education (Baruch, 2009). Further, the paper talks about 3 perceptions among youth with respect to retail sector- First, student's employment experience in their retail jobs to date. Second, student's perceptions of graduate carers in retail and Third, students expectations of initial graduate employment in retailing. The paper findings suggest that working conditions are not considered as "poor pay and long work hours", lot of work pressure to meet the sales target and quite a lot of discrimination within the hierchies in an organisation (Morton, 2002).

The paper Part-time employment and communication satisfaction in an Australian retail organisation by Judy Gray and Heather Laidlaw tries to examine the relationship between work arrangement and employee satisfaction within retail sector. The paper explains the changing phase of retail industry and challenges faced by retailers like majority of supermarkets have to remain open for 24 hours, 7 days in order to meet the demands. This surge of increasing demands by consumer have forced the retailers to hire part-time labour as well (Australian workplace Relations Survey). There is a considerable literature that employers in retail sector find it difficult to hire the personnel with skills but the other side of the story is that there are high levels of dissatisfaction with overall working conditions and that which contributes to be the main reason of retail being an unattractive sector. Several authors' state that various levels of education programmes which will develop the required skill set is important to influence the job satisfaction (Argenti, Downs, Hargie, Clampitt, 1998).

Gap identification

The Review of Literature has highlighted the following gaps :



1. Research on skill gap in retail sector has been done in India from employee angle but not customer angle. Customer expectation of skills from retail employees to deliver the best service is equally important.

2. Study on whether there is a difference in male and female customer expectation from salesman with respect to behaviour skills has not been studied.

The current study focuses on bridging the gaps found in review of literature.

Research Methodology

The study is exploratory in nature and the objective is to find the most important skill gaps in the retail sector. Based on review of literature, it was found that the employees lacked behaviour skills. Hence the attributes of soft skills were identified from review of literature and a structured questionnaire was designed. The questionnaire was administered to customers in various retail outlets in Pune. Convenience method of sampling was used. 100 responses were received from the customers on different aspects of behaviour skills. As the data was not normalized, Friedman test was used to identify the important skills and Mann Whitney U test was done to identify the gender difference in opinion of respondents. Customers were asked to rate the skill of employees on a 5 point scale where 5 = highest rating and 1 = lowest rating.

Sample was collected from three different outlets in the city (one hypermarket, one speciality store and one departmental store). The outlets surveyed included Raheja Group’s “Shoppers Stop”, Future Group’s “Central” and Aditya Birla Group’s retail brand called “Pantaloon”. As permission was given to interview customers of the three stores, hence these stores were selected for survey. Hence, the study is limited to lifestyle retailing.

Ho : There is no significant difference in male and female customer expectation from salesmen.

H1 : There is a significant difference in male and female customer expectation from salesmen with respect to atleast one attribute.

Results and Inference

Friedman Test

Test Statistics^a

Males	N	46
	Chi-Square	34.349
	df	6
Females	Asymp. Sig.	.000
	N	54
	Chi-Square	32.334
	df	6
	Asymp. Sig.	.000

a. Friedman Test

Gender		Mean Rank
Males	available on request	4.90
	complaint mgmt	4.64
	convincing abilities	4.29
	politeness	4.08
	willingness to help	3.59
	communication	3.45
	prompt service	3.05

	Soft skill attributes	Mean Rank
Females	convincing abilities	4.81
	politeness	4.38
	complaint mgmt	4.24
	willingness to help	4.16
	available on request	4.02
	communication	3.26
	prompt service	3.13

Inference

1. Available on request, complaint management and convincing abilities are most important male customer expectations from salesmen.

3. Convincing abilities, politeness and complaint management are most important female customer expectations from salesmen.

Hence **convincing abilities** and **complaint management** are common attributes figuring in top three important attributes.



**Results of Mann Whitney U test**

Test Statistics ^a							
	complaint mgmt	communication	politeness	prompt service	willingness to help	convincing abilities	available on request
Mann-Whitney U	997.000	1132.000	1136.500	1234.000	1098.000	1109.500	882.000
Wilcoxon W	2482.000	2617.000	2217.500	2315.000	2179.000	2190.500	2367.000
Z	-1.849	-.862	-.780	-.060	-1.061	-.984	-2.775
Asymp. Sig. (2-tailed)	.065	.389	.435	.952	.289	.325	.006

a. Grouping Variable: Gender

Inference

The results of Mann Whitney U test indicates that there is a significant difference between male and female customer expectation of salesmen with respect to gender. Males have a higher tendency for “available on request” service compared to females. Hence alternate hypothesis is accepted.

Conclusion and Discussion

The current study has highlighted two three prominent skill gaps ie convincing abilities and complaint management. The study also shows that there is a significant difference between male and female customers with respect to availability of salesman for customer service. Males have higher preference for customer service ie availability on request than females. The review of literatures focuses on factors such as education, work life balance and service conditions as a reason for skill gap but does not talk of training of employees. This shows that retailers would prefer to “buy skills” rather than develop skills. Investment in full time employees costs the retailers and there may be no guarantee of retention. Hence as per Argenti, et al, 1998, the focus can be to hire part time employees in shifts and train them on behavioural skills which can meet both cost and profit requirements. The cost of retail set up and operations in the brick and mortar format is very high (Indian Retail Report, 2015) , hence rather than long term investment, a short term investment would be a good proposition.

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